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FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

MUR: 5903

DATE COMPLAINT FILED: March 1, 2007

DATE OF NOTIFICATION: March 7, 2007

LAST RESPONSE RECEIVED: March 27, 2007

DATE ACTIVATED: May 1, 2007

EXPIRATION OF S.O.L.: March 1, 2010¹

COMPLAINANT:

Maria M. Garcia

RESPONDENTS:

PBS&J Corporation
William S. DeLoach
Richard A. Wickett
H. Michael Dye
Maria M. Garcia
Rosario Licata
Shannan Ighodaro
Sybil Thomas
Lourdes Fernandez
Reinaldo Fernandez
Ana Quinones
Victor Quinones
James Breland
Larry Boatman

**RELEVANT STATUTES
AND REGULATIONS:**

2 U.S.C. § 441b(a)
2 U.S.C. § 441f
11 C.F.R. § 100.22
11 C.F.R. § 100.26

INTERNAL REPORTS CHECKED:

Disclosure Reports

FEDERAL AGENCIES CHECKED:

U.S. Department of Justice

RELATED MATTER:

MUR 5822 (William S. DeLoach)

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¹ See *infra*, pp. 7-9, for a complete discussion of the statute of limitations.

I. INTRODUCTION

This matter originated with a complaint filed by Maria M. Garcia alleging that PBS&J Corporation ("PBS&J"), violated the Federal Election Campaign Act of 1971, as amended (the "Act") by reimbursing the campaign contributions of its employees and their family members.² The Complainant alleges that PBS&J, through a succession of former senior executive officers and accounting personnel, including the complainant, "knowingly" made prohibited corporate contributions to various political committees from the 1990s through the 2002 election by reimbursing personal contributions and the contributions of others in violation of 2 U.S.C. §§ 441b(a) and 441f.

In its response, PBS&J claims that it has suffered greatly due to a multi-million dollar embezzlement scheme perpetrated by several company employees, and that it uncovered the reimbursed contributions as part of the investigation into the greater fraud. *See* PBS&J Response, at 1-4. PBS&J cites its extraordinary cooperation with the criminal investigation of this matter, as well as the fact that the statutes of limitations have expired for all but one of the potential violations, as reasons the Commission should find no reason to believe it violated the Act. *See id.* at 4-6. In a separate response, William DeLoach, one of the former employees implicated in the embezzlement scheme, cites his criminal plea and the extraordinary level of cooperation and restitution provided in the criminal proceedings as the basis for not imposing any further sanctions in this matter. *See generally* DeLoach Response.

As more fully set forth below, available information indicates that PBS&J engaged in activities that constitute corporate reimbursement of contributions. Although the majority of the

² The allegations raised in the complaint are similar to those in MUR 5822 (William S. DeLoach). MURs 5822 and 5903 both allege Mr. DeLoach violated the Act by reimbursing \$11,000 in campaign contributions. The complaint in MUR 5903 broadens the scope of the alleged activity to include additional participants and potential violations of the Act.

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1 activity occurred beyond the generally applicable statutes of limitations, for the reasons
2 discussed *infra*, we believe this is an appropriate case to argue that the statutes of limitations tolls
3 based on the doctrine of fraudulent concealment. We therefore recommend the Commission find
4 reason to believe that PBS&J knowingly and willfully violated 2 U.S.C. §§ 441b and 441f. We
5 also recommend the Commission find reason to believe that Richard A. Wickett, H. Michael
6 Dye, Maria M. Garcia, and Rosario Licata, as officers and agents of PBS&J, knowingly and
7 willfully violated 2 U.S.C. §§ 441b and 441f by consenting to PBS&J's reimbursement of
8 campaign contributions, and that William DeLoach knowingly and willfully violated 2 U.S.C.
9 § 441b.³ Finally, we recommend the Commission find reason to believe that Shannan Ighodaro,
10 Sybil Thomas, Lourdes Fernandez, Reinaldo Fernandez, Ana Quinones, Victor Quinones, James
11 Breland, and Larry Boatman violated 2 U.S.C. § 441f by permitting their names to be used to
12 effect contributions in the name of another.

13 **II. FACTUAL BACKGROUND**

14 PBS&J is a Florida-based government contractor that provides a range of services related
15 to transportation, environmental, construction management, and civil engineering. In late March
16 2005, a PBS&J auditor reported to the Audit Committee that the company was the victim of
17 embezzlement. See Sentencing Memorandum, *U.S. v. William DeLoach*, Crim. No. 06-CR-
18 20583, at 2 (S.D. Fla. Feb. 9, 2007) (Attachment 1). Shortly thereafter, William S. DeLoach, the
19 Chief Financial Officer, identified himself as one of the participants in the embezzlement
20 scheme. See *id.* Mr. DeLoach explained to the company how he, along with Maria Garcia,
21 PBS&J's Business Information Systems Manager, and Rosario Licata, PBS&J's Accounts
22 Payable Manager, conspired to embezzle more than \$35 million by issuing company checks to
23 themselves, diverting money from the company healthcare benefit fund into secret bank

³ The Commission made findings as to section 441f violations by Mr. DeLoach in MUR 5822.

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1 accounts, charging personal expenses on the company credit card, and concealing the theft of
2 these funds by altering and fabricating the company's books. *See* PBS&J Response, at 2-3. In
3 connection with this embezzlement, Mr. DeLoach, Ms. Garcia and Ms. Licata pled guilty to a
4 felony count of conspiracy to commit mail fraud on September 28, 2006. Mr. DeLoach also pled
5 guilty to a felony violation of 2 U.S.C. § 441f, admitting that he knowingly and willfully made
6 \$11,000 in illegal contributions to the Martinez for Senate Committee through six straw donors
7 on October 4 and 5, 2004. *See* Criminal Information, *U.S. v. DeLoach et al.*, 06-CR-20583 (S.D.
8 Fla. Sept. 15, 2006) (Attachment 2). Based on this information, in MUR 5822, the Commission
9 on September 25, 2006, found reason to believe that Mr. DeLoach knowingly and willfully
10 violated 2 U.S.C. § 441f.⁴

11 In this MUR, Ms. Garcia's complaint alleges that the 2004 contributions to Martinez for
12 Senate are the proverbial tip of the iceberg. Ms. Garcia claims that PBS&J, through various
13 corporate officers and employees, engaged in a "pattern of decade(s) long illegal campaign
14 violations, including reimbursement of respondent's employees, friends and spouses for political
15 contributions." Complaint, at 2. In addition to Mr. DeLoach, Ms. Garcia alleges that Ms. Licata
16 and Richard Wickett, former Chief Financial Officer and Chairman of the Board of Directors,
17 were active participants in the contribution reimbursement scheme. *See id.* at 3-8. Ms. Garcia
18 alleges that she was instructed by senior managers to reimburse employee campaign
19 contributions by preparing false documents with fictitious descriptions for the disbursements.
20 *See id.* at 4. Although short on specifics, Ms. Garcia states that in March 2002, PBS&J

1 reimbursed a \$2,000 contribution made by James Breland, a PBS&J executive, to Sen. Max
2 Cleland's reelection campaign. *See id.* at 6.

3 Although the information in the complaint does not support Ms. Garcia's broad allegation
4 of a "decade(s) long" scheme, additional criminal filings involving the same actors indicate the
5 mechanics and extent of the potential violations. Specifically, on March 8, 2007, criminal
6 charges alleging, among other things, conspiracy to commit mail fraud and making false
7 statements stemming from a corporate reimbursement scheme that began in 1990, were filed
8 against Mr. Wickett and H. Michael Dye, a former PBS&J Chief Executive Officer. *See*
9 Criminal Information, *U.S. v. Dye*, 07-CR-20144 (S.D. Fla. Mar. 8, 2007) (Attachment 3);
10 Indictment, *U.S. v. Wickett*, 07-CR-20145 (S.D. Fla. Mar. 8, 2007) (Attachment 4).⁵ These
11 documents allege that in 1990, Mr. Wickett and Mr. Dye instructed their respective secretaries to
12 open bank accounts entitled "PBS&J Out of State PAC," but not to include the accounts in
13 PBS&J's financial records. *See* Indictment, *U.S. v. Wickett*, 07-CR-20145, at 5 (S.D. Fla. Mar.
14 8, 2007) (Attachment 4). Mr. Wickett and Mr. Dye then allegedly instructed their secretaries to
15 have any reference to PBS&J removed from the checks issued from these accounts. *See id.*
16 Thereafter, Mr. Wickett and Mr. Dye would approve corporate disbursements to these accounts,
17 and then use the funds to make contributions to principal campaign committees. *See id.* at 6-8.
18 In other instances, Mr. Wickett and Mr. Dye would make personal campaign contributions and
19 then authorize PBS&J to make reimbursements through the "Out of State PAC" bank accounts.
20 *See id.* at 8.

⁵ Subsequent court filings indicate that Mr. Dye intends to plead guilty and Mr. Wickett's trial will commence in October 2007. *See* Order Setting Change of Plea, Sentencing Hearing and Adopting Sentencing Procedures, *U.S. v. Dye*, 07-CR-20144 (S.D. Fla. May 16, 2007); Order Continuing Trial Date, *U.S. v. Wickett*, 07-CR-20145 (S.D. Fla. May 15, 2007).

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1 By 2000, the scope of the corporate scheme grew to encompass additional PBS&J
2 employees. According to the indictment, in 2000 and 2001, Mr. Wickett and Mr. Dye arranged
3 for certain PBS&J officers and directors to receive bonuses, but informed them that \$10,000 of
4 each bonus had to go to PBS&J's political action committees. *See id.* at 8-9. In 2002, Mr.
5 Wickett approached PBS&J Regional Sales Managers and District Directors and asked them to
6 make campaign contributions to specific candidates in amounts ranging from \$500 to \$2,000.
7 Mr. Wickett then caused PBS&J to reimburse these contributions with notations such as
8 "mileage reimbursement" and "business development expense." *See id.* at 9-10. Although the
9 overall scope of the violation is not clear at this time, the transactions detailed in the indictment
10 involve over \$20,000 in corporate and reimbursed contributions. *See id.* at 5-10.

11 Finally, although it is unclear when Mr. DeLoach, an "up and comer in the company,"
12 joined the contribution reimbursement scheme, he began participating in the broader
13 embezzlement scheme in 1999. *See* Cynthia Barrett, Culture of Trust,
14 <http://www.floridatrend.com> (published Mar. 1, 2007). By 2003, Mr. DeLoach, along with Ms.
15 Garcia and Ms. Licata, established a separate "PBS&J PAC" account unrelated to the company
16 and began diverting company funds to this account. *See* Criminal Information, *U.S. v. DeLoach*
17 *et al.*, 06-CR-20583 (S.D. Fla. Sept. 15, 2006)) (Attachment 2). Given that Mr. DeLoach has
18 pled guilty to reimbursing \$11,000 in campaign contributions in 2004, *see id.*, it is likely that the
19 funds to make the reimbursement came from corporate funds diverted to a personal account.

20 All told, currently available information suggests that between 1990 and 2004, PBS&J
21 used corporate funds to reimburse over \$30,000 in campaign contributions. This amount does
22 not include any contributions made by PBS&J officers or directors as a result of the 2000 and

2001 bonuses or the approximately \$44,000 in contributions made to federal candidates by Mr. DeLoach, Ms. Garcia, or Ms. Licata that may also have been reimbursed through the scheme.

PBS&J's response, which notes the charges filed against Mr. Wickett and Mr. Dye, does not address any of the alleged corporate reimbursements that occurred from 1991 through 2001. Instead, the response claims that PBS&J was unaware of the bank accounts set up by Mr. Wickett and Mr. Dye, and that these accounts were not meant to "influence politics, but rather to launder money for the three embezzlers." PBS&J Response, at 2. PBS&J does, however, admit that corporate funds were used to reimburse two contributions made in 2002 and 2003, totaling \$2,500. *See id.* at 6. Similarly, Mr. DeLoach's response does not address the allegations in the complaint, but focuses on his decision to admit his involvement in the broader embezzlement scheme, the level of cooperation he has given both PBS&J auditors and the criminal authorities during the course of their investigations, and the level of restitution made.⁶ *See generally* DeLoach Response.

III. LEGAL ANALYSIS

A. STATUTE OF LIMITATIONS

Despite the significant information available suggesting PBS&J and certain executives and employees may have violated the Act, the complainant and PBS&J raise the statute of limitations as a potential defense. *See* Complaint, at 2 ; PBS&J Response, at 5. While it is true that all of the activity in the complaint occurred more than five years ago, we believe the doctrine of fraudulent concealment tolled the statute of limitations until April 1, 2005, the approximate date on which PBS&J reported the findings of its internal audit to federal authorities.

⁶ In addition, Mr. Wickett's response did not address the substantive allegations, but asserted his Fifth and Sixth Amendment rights and requested this matter be held in abeyance until the completion of criminal proceedings. *See* Response of Richard Wickett. The complainant, Ms. Garcia, did not respond to the notification letter. Mr. Dye, who has plead guilty and awaits sentencing, and Ms. Licata, who on July 18, 2007, was sentenced to 63 months in prison and ordered to pay over \$6 million in restitution, were not initially generated as respondents.

1 In order to toll the statute of limitations based on the doctrine of fraudulent concealment,
2 a plaintiff must prove: 1) successful concealment of the cause of action; 2) fraudulent conduct by
3 the defendant resulting in concealment of the operative facts; and 3) reasonable diligence on the
4 part of the plaintiff to discover the cause of action. *See Jones v. Childers*, 18 F.3d 899, 909 (11th
5 Cir. 1994) (internal citations omitted); *Fitzgerald v. Seamans*, 553 F.2d 220, 228 (D.C. Cir.
6 1977).

7 In the only case to examine the application of the doctrine of fraudulent concealment to a
8 suit by the Commission alleging a Section 441f scheme, the Ninth Circuit refused to toll the
9 statute of limitations on the theory that the Act's reporting requirements were sufficient to give
10 the Commission notice of facts that, if they were investigated, would have led to timely
11 discovery of the potential cause of action. *See FEC v. Williams* ("Williams"), 104 F.3d 237, 241
12 (9th Cir. 1996), *cert. denied*, 522 U.S. 1015 (1997). In *Williams*, the defendant participated in a
13 promotion whereby individuals who contributed \$1,000 to a campaign committee would receive
14 a ticket to the Super Bowl. *See id.* at 239. Mr. Williams advanced twenty-two friends and
15 employees \$1,000 each to make the required campaign contribution, but, rather than distribute
16 the Super Bowl tickets, resold the tickets to others to recoup the funds used to reimburse
17 campaign contributions. *See id.* The court reasoned that, based on the false information
18 regarding the conduit contributor contained in the recipient committee's quarterly reports, the
19 FEC was automatically on notice of the potential violation. *See id.*

20 We believe that *Williams* was wrongly decided and the court placed too high a burden on
21 the Commission, or, at the very least, this matter is distinguishable. As stated by the dissenting
22 judge in *Williams*:

23 The majority in effect imposes a duty on the FEC to investigate every report, even
24 though nothing on its face indicates illegal activity, or else risk being barred by

1 the statute of limitations when a violation comes to light. Here, the very
2 information contained in the report was used to lull the FEC into believing that no
3 single contributor gave more than the \$1,000 limit.

4
5 104 F.3d at 242 (Fletcher, J., dissenting). Because the defendant engaged in fraudulent conduct
6 that initially resulted in concealment of the operative facts, Judge Fletcher argued that the statute
7 of limitation should not have begun to run until the date the Commission received notice of a
8 potential violation, which in that matter was the date the complaint was filed. *See id.*⁷ We
9 believe that this analysis is correct, _____
10 _____
11 _____

12 Alternatively, PBS&J's attempts to hide its campaign contributions could be viewed as a
13 distinguishing factor from *Williams* such that the statute of limitations should be tolled. While
14 the plaintiff in *Williams* used the lure of Super Bowl tickets to induce friends and employees to
15 make a \$1,000 campaign contribution, which he reimbursed, PBS&J's alleged conduct suggest a
16 much more extensive scheme that, even with the reporting of the contributor information, the
17 FEC would most likely not have been able to ascertain the true contributor. For example, when
18 PBS&J employees were reimbursed for campaign contributions, some payments were masked
19 with notations such as "mileage reimbursement" or "business development." *See Criminal*
20 *Information, U.S. v. H. Michael Dye*, Crim. No. 07-20144, at 8-9 (S.D. Fla. Mar. 8, 2007)
21 (Attachment 3). Thus, even if the FEC inquired as to the legitimacy of these contributions,
22 PBS&J's records would have suggested nothing inappropriate. Therefore, even under the due

⁷ The district court in *FEC v. Christian Coalition*, which cited *Williams* for the proposition that violations of the Act are subject to a five year statute of limitations, seemingly agreed with the analysis in Judge Fletcher's dissent by suggesting that it would have considered tolling the statute of limitations based on the doctrine of fraudulent concealment if the Commission had raised the issue. *See* 965 F. Supp. 66, 69-70 (D.D.C. 1997) (declining to apply the discovery rule to the statute of limitations when no fraudulent concealment alleged) (*citing JM Co. v. Browner*, 17 F.3d 1453, 1455-57 (D.C. Cir. 1994)).

1 diligence standard set in *Williams*, because of the Respondents' fraudulent conduct in disguising
2 the campaign contributions, the Commission may not have been able to ascertain the nature of
3 the violations even after an investigation. We therefore believe the applicable statute of
4 limitations should expire for all violations on March 31, 2010, or approximately five years after
5 criminal authorities were apprised of the activity.

6 **B. CORPORATE CONTRIBUTIONS**

7 Corporations are prohibited from using corporate resources to engage in campaign
8 fundraising activities. See 2 U.S.C. § 441b(a). A corporation can only act through its directors,
9 officers, and agents, and may be held liable for the acts of an employee within the scope of the
10 employment and that benefit the corporate employer. See *United States v. Wallach*, 935 F.2d
11 445, 462 (2d Cir. 1991); 1 William Meade Fletcher et al., *Fletcher Cyclopedia of the Law of*
12 *Private Corporations* § 30 (Supp. 2004). See, e.g., *Liquid Air Corp. v. Rogers*, 834 F.2d 1297,
13 1306 (7th Cir. 1987). In addition, section 441b(a) prohibits any officer or director of any
14 corporation from consenting to any expenditure or contribution by the corporation. The Act also
15 provides that no person shall make a contribution in the name of another person or knowingly
16 permit their name to be used to effect such a contribution. 2 U.S.C. § 441f.

17 **1. PBS&J**

18 Available information supports the conclusion that Mr. DeLouch, Mr. Dye, and Mr.
19 Wickett's activities were part of a concerted effort by PBS&J to engage in campaign fundraising
20 activities. By creating a separate bank account and then funneling corporate funds into the
21 account, PBS&J was able to make thousands of dollars in campaign contributions over a thirteen
22 year period. In addition, as the scheme continued, the apparent scope broadened to include
23 additional officers and members of the board of directors. News accounts and publicly available

1 information suggest that Mr. DeLoach, an "up and comer in the company," joined the
2 contribution reimbursement scheme sometime between 1999 and 2004. *See* Cynthia Barrett,
3 Culture of Trust, <http://www.floridatrend.com> (published Mar. 1, 2007); Criminal Information,
4 *U.S. v. DeLoach et al.*, 06-CR-20583 (S.D. Fla. Sept. 15, 2006) (Attachment 2). In addition, the
5 scheme broadened again in 2000 and 2001 to encompass selected officers and board members
6 who were told to reserve a part of their bonus for political activity. *See* Indictment, *U.S. v.*
7 *Wickett*, 07-CR-20145, at 5, 8-9 (S.D. Fla. Mar. 8, 2007) (Attachment 4). The number of high-
8 level PBS&J employees and directors indicates a level of corporate malfeasance such that it
9 would be impossible to argue that the reimbursement scheme was simply the act of a few rogue
10 employees.

11 The criminal proceedings against PBS&J's former officers and employees suggest that
12 PBS&J knowingly and willfully violated the Act. The knowing and willful standard requires
13 knowledge that one is violating the law. *See Federal Election Commission v. John A. Dramesi*
14 *for Congress Committee*, 640 F. Supp. 985, 987 (D. N.J. 1986); *see also* Federal Prosecution of
15 Election Offenses (6th Ed., 1995). An inference of a knowing and willful act may be drawn
16 "from the defendant's elaborate scheme for disguising" his or her actions. *United States v.*
17 *Hopkins*, 916 F.2d 207, 214-15 (5th Cir. 1990). Not only did PBS&J corporate executives
18 establish separate bank accounts to make political contributions, but they disguised
19 reimbursements to employees by categorizing them as "mileage reimbursements" and "business
20 development expenses." *See* Indictment, *U.S. v. Wickett*, 07-CR-20145, at 5, 9-10 (S.D. Fla.
21 Mar. 8, 2007) (Attachment 4). We therefore recommend the Commission find reason to believe
22 the PBS&J knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.

1 2. **CORPORATE EMPLOYEES**

2 As discussed in the preceding section, the information currently available suggests that
3 the reimbursement of campaign contributions with PBS&J funds was corporate activity. From
4 the very beginning, the reimbursement scheme involved Mr. Dye, who in 1996 became the chief
5 executive officer, and Mr. Wickett, who became Chief Financial Officer in 1993. Although
6 initially it may have been possible to characterize the reimbursements as the actions of "rogue"
7 employees acting with the assistance of lower level employees, by the time the activities
8 expanded to include Mr. DeLoach, who ultimately became Chief Financial Officer, and further
9 expanded to additional officers and board members who were granted bonuses with the condition
10 that a portion of the bonus was to be used to make campaign contributions, this potential
11 description was no longer applicable. *See* Indictment, *U.S. v. Wickett*, 07-CR-20145, at 9 (S.D.
12 Fla. Mar. 8, 2007) (Attachment 4).

13 As was the case with PBS&J, currently available information indicates that these
14 violations by the corporate employees were knowing and wilfull. PBS&J's employees and
15 executives used separate bank accounts, fraudulent reimbursements, and annual bonuses to hide
16 the fact that PBS&J was making campaign contributions. *See id.* at 5-9. We therefore
17 recommend that the Commission find reason to believe that Maria Garcia and Richard Wickett
18 knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, and that William DeLoach
19 knowingly and willfully violated 2 U.S.C. § 441b by consenting to the use of corporate resources
20 to make campaign contributions. We also recommend that the Commission find reason to
21 believe that Rosario Licata and H. Michael Dye knowingly and willfully violated 2 U.S.C.
22 §§ 441b(a) and 441f by consenting to the use of corporate resources to make campaign
23 contributions.

1 3. CONDUIT CONTRIBUTORS

2 Based on currently available information, it appears that several PBS&J employees and
3 their family members contributed to federal campaign committees with an assurance that PBS&J
4 would reimburse their contributions, which it did, in some instances, by making reimbursements
5 disguised as "mileage reimbursement" or "business development." Consequently, these
6 individuals knowingly permitted their names to be used to effect contributions in the name of
7 another in violation of 2 U.S.C. § 441f. Because the employees' job descriptions suggest they
8 exercised significant managerial authority, and therefore were not arguably susceptible to
9 pressure to participate in the reimbursement activity by their superiors, reason to believe findings
10 are warranted. *See* MUR 5765 (Crop Production Services, Inc.) (finding reason to believe high-
11 level managers violated section 441f by receiving reimbursements for contributions). We also
12 recommend the Commission make reason to believe findings as to the spouses of these
13 employees because, as with the employees, they were not arguably susceptible to pressure to
14 participate in the reimbursement scheme. *See* MUR 5871 (Noe) (finding reason to believe as to
15 spouses of primary conduits).

16 Accordingly, we recommend that the Commission find reason to believe that Shannan
17 Ighodaro, Sybil Thomas, Lourdes Fernandez, Reinaldo Fernandez, Ana Quinones, Victor
18 Quinones, James Breland, and Larry Boatman violated 2 U.S.C. § 441f by permitting their
19 names to be used to effect contributions in the name of another. To the extent we are able to
20 determine additional conduit contributors during the course of our investigation, we will make
21 recommendations to the Commission as to these individuals based on their knowledge of the
22 contribution reimbursement scheme and perceived sophistication with regard to campaign
23 finance law. *See* MUR 5849 (Bank of America) (Commission did not make reason to believe

findings as to conduit contributors who were victims of corporate officer who requested employees make campaign contributions).

IV. PROPOSED INVESTIGATION

Given the similarities between this matter and MUR 5822, we recommend the Commission merge MUR 5822 into MUR 5903 in order to enable us to conduct a single investigation regarding all allegations concerning violations of sections 441b(a) and 441f by PBS&J and its current and former employees. _____ in order to determine: (1) the role of PBS&J and its executives in the apparent reimbursement scheme; (2) the extent of the contribution reimbursement scheme in terms of the number and amount of reimbursed contributions; (3) what, if anything, the recipient committees knew about the reimbursed contributions; (4) how the embezzlement and reimbursement schemes became known; (5) the level of Respondents' cooperation with DOJ and the size of any criminal penalty; and (6) the identity and level of culpability of all conduit contributors. _____

_____ Nonetheless, we believe we can conduct a focused investigation by seeking information from PBS&J, Mr. DeLoach, Ms. Garcia, Ms. Licata, and other individuals, as necessary.

V. RECOMMENDATIONS

1. Merge MUR 5822 with this matter:
2. Find reason to believe that PBS&J Corporation knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f;
3. Find reason to believe that H. Michael Dye, Maria Garcia, Rosario Licata, and Richard Wickett knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f;

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4. Find reason to believe that William S. DeLoach knowingly and willfully violated 2 U.S.C. § 441b(a);
5. Find reason to believe that Shannan Ighodaro, Sybil Thomas, Lourdes Fernandez, Reinaldo Fernandez, Ana Quinones, Victor Quinones, James Breland, and Larry Boatman violated 2 U.S.C. § 441f;
6. _____
7. Approve the attached Factual and Legal Analyses; and
8. Approve the appropriate letters.

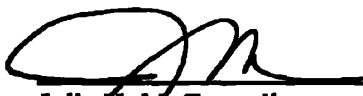
8/7/2007
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Thomasenia P. Duncan
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Julie K. McConnell
Acting Assistant General Counsel



Adam J. Schwartz
Attorney

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